



News Release

Maryland Insurance Administration

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Kathleen A. Birrane, Commissioner Gregory M. Derwart, Deputy Commissioner

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Maryland Insurance Administration Approves 2023 Affordable Care Act Premium Rates

Reinsurance Program Continues Positive Impact on Individual Rates, Keeping Rate Increases Below Inflation

BALTIMORE – State Insurance Commissioner Kathleen A. Birrane today announced the premium rates approved by the Maryland Insurance Administration (MIA) for individual and small group health insurance plans to be offered in the state for coverage beginning Jan. 1, 2023.

The rates for individual health insurance plans under the Affordable Care Act (ACA) will change/increase by an average of 6.6% this year. The approved rates are 4.4% lower on average than insurance carriers originally requested – a difference of more than \$50 million in total annual premium savings for Maryland consumers.

Historically, medical premiums have increased at a faster pace than general inflation. With inflation averaging 8.3% in 2022 (as measured by the U.S. Bureau of Labor Statistics), a 6.6% premium increase is 1.7% below average.

Commissioner Birrane credited the ability to keep the rate below general inflation to the success of the innovative reinsurance program developed by the Hogan administration in 2018 to reduce and stabilize rates in the individual market. After experiencing several years of double digit rate increases that followed the implementation of the ACA, the reinsurance program was designed to bring rates down over 3 years and, thereafter, to align future rate increases with increases in claim and cost trends. The program has been successful and - even with the approved rates for 2023 - premiums in the Individual market have decreased by an average of over 25% since implementation. The Maryland reinsurance program is the largest in the country and has pushed Maryland rates to among the lowest in the country.

“The reinsurance program continues to do its job,” Commissioner Birrane said. “The 2023 rate changes are tied to increasing claim costs and projections as to what those costs are likely to be

in 2023, given claim cost trends. Inflation, increased unit costs for services, increased utilization, and the on-going uncertainty of COVID-related costs, are all significant factors influencing rates. Nonetheless, we have been able to keep rates below inflationary trends thanks to the reinsurance program.”

Maryland’s 1332 State Innovation Waiver was the result of a bipartisan legislative effort led by the Hogan administration and the Maryland General Assembly in 2018. The waiver was approved by the U.S. Centers for Medicare and Medicaid Services in August 2018, clearing the way for the implementation of the reinsurance program in 2019. The flexibility provided by the waiver allowed Commissioner Birrane to modify the parameters of the reinsurance program in 2023, allowing the state to remove more liability from the carriers and reduce the necessary rate increase. Absent that flexibility, the average rate increase in the individual market would have been closer to 8%.

Nationwide, carriers have asked for an average rate increase of 10% in the individual ACA market in the states where rate requests have been made public. States are beginning to announce final approved unsubsidized premium rates. The MIA noted that rate changes in the individual market are influenced by whether a state has adopted a reinsurance program similar to Maryland’s and, if so, when the program was implemented. For example, two states, Idaho and Virginia, which have newly approved 1332 programs and are just beginning their reinsurance programs, are seeing rate decreases. These rate decreases should be compared to the 2019 rate decreases from year 1 of the Maryland program, as shown on Exhibit 1.

About 232,000 Marylanders are affected by the approved rates. The actual percentage by which the rates for a specific plan will change depends on the carrier and plan.

As an example, for a 40-year-old living in the Baltimore metro region, rate changes for the lowest cost off-exchange silver plans range from 2.7% to 13.3%, with average monthly differences ranging from \$7 per month to \$60 per month.

Individual Non-Medigap Market

Lowest Cost Silver Plan, 40 year old, Baltimore Metro Region

CARRIER	NETWORK TYPE	2022 MONTHLY APPROVED	% RATE CHANGE	2023 MONTHLY APPROVED	MONTHLY CHANGE
CareFirst BlueChoice	HMO	\$323	3.8%	\$335	\$12
CareFirst GHMSI/CFMI	PPO	\$453	13.3%	\$513	\$60
Kaiser	HMO	\$261	2.7%	\$268	\$7
UHC (Optimum Choice)	HMO	\$335	4.5%	\$350	\$15

Rate changes for the lowest cost gold plan for that same 40-year-old in that same region range from 0.1% to 13.5%, with average monthly differences ranging from \$0.40 per month to \$64 per month:

Lowest Cost Gold Plan, 40 year old, Baltimore Metro Region

CARRIER	NETWORK TYPE	2022 MONTHLY APPROVED	% RATE CHANGE	2023 MONTHLY APPROVED	MONTHLY CHANGE
CareFirst BlueChoice	HMO	\$348	5.8%	\$369	\$21
CareFirst GHMSI/CFMI	PPO	\$473	13.5%	\$537	\$64
Kaiser	HMO	\$291	10.5%	\$322	\$31
UHC (Optimum Choice)	HMO	\$328	0.1%	\$328	\$0.40

Commissioner Birrane urged Marylanders to work closely with health insurance agents and advisors, and to explore plans available through the Maryland Health Benefit Exchange (Exchange). Individuals who purchase individual insurance through the Exchange may be eligible to receive federal premium subsidies or federal Advanced Premium Tax Credit (APTC). Currently, approximately 80% of people who purchase their individual market policy on the Exchange receive some reduction in premium. The Inflation Reduction Act has extended enhanced APTCs through 2025, with no upper income limit on subsidy eligibility. In addition, people who are 18-35 years of age and are under 400% FPL remain eligible to receive a state premium subsidy (being piloted from 2022-2023) to bring their subsidized premiums even lower.

“It is very important for individuals to work with the Exchange.” Commissioner Birrane advised. “While the enhanced federal subsidies have been extended, subsidized consumers may see rate changes higher or lower than the unsubsidized rate change due to a shift in the second lowest cost silver plan upon which subsidies are benchmarked. Consumers should carefully review their renewal notice and work with trusted advisors and the Exchange to evaluate whether there is an opportunity to offset any premium changes by selecting a new plan.”

Stand-Alone Dental Market

The MIA also approved an average rate increase of 4.4% for dental rates in the individual market, compared to the 4.5% originally requested by carriers. These rates effect approximately 75,000 Marylanders. Individual dental enrollment has grown by over 60% (36,000 members) between 2020 and 2022. While the average increase is 4.4%, there is a significant variation by carrier and plan and over 50% of the market will see flat or declining rates.

Most Popular Plan, Adult 40 year old, Baltimore Metro Region

CARRIER	NETWORK TYPE	2022 MONTHLY APPROVED	2023 MONTHLY APPROVED	MONTHLY CHANGE
Alpha Dental	DPPO	\$24	\$23	(\$1)
CareFirst GHMSI	DPPO	\$45	\$52	\$7
CareFirst CFMI	DPPO	\$45	\$52	\$7
Delta Dental of PA	DPPO	\$17	\$17	(\$0)
Dominion Dental Services	DHMO+DPPO	\$16	\$16	\$0

Small Group Market

The rates for small group health insurance plans under the ACA will increase by an average of 7.6% in 2023. This is a reduction of 2.4% from the originally requested 10% average, reducing the market’s total annual premium by more than \$30 million. The primary drive of this increase is higher than anticipated trend levels, which carriers have been experiencing that result in an average pricing trend of 7.3% for the market.

About 248,000 Marylanders are impacted by the approved small group rates. As is the case with the individual market plans, the actual percentage by which the rates for a specific plan will change depends on the specific carrier and plan. There are 220 plans offered this year in the Maryland small group market and plan sponsors are urged to shop carefully.

As an example, for a 40-year-old living in the Baltimore metro region, rate changes for the lowest cost off-exchange silver plans range from -13% to 16%, with average monthly differences ranging from -\$56 per month to \$57 per month.

Small Group Market, Lowest Cost Silver Plan, 40 year old, Baltimore Metro Region

CARRIER	NETWORK TYPE	2022 MONTHLY APPROVED	% RATE CHANGE	2023 MONTHLY APPROVED	MONTHLY CHANGE
Aetna	HMO	\$276	9%	\$301	\$25
Aetna	PPO	\$419	-13%	\$363	(\$56)
CareFirst BlueChoice	HMO	\$345	16%	\$402	\$57
CareFirst GHMSI/CFMI	PPO	\$492	-3%	\$477	(\$15)
Kaiser	HMO	\$292	11%	\$325	\$33
United Healthcare (MAMSI)	EPO	\$370	11%	\$410	\$39
United Healthcare (Optimum Choice)	HMO	\$324	15%	\$374	\$50
United Healthcare of the Mid-Atlantic	POS	\$309	15%	\$355	\$46
United Healthcare Insurance Co.	PPO	\$390	9%	\$424	\$34

Rate changes for the lowest cost gold plan for that same 40-year-old in that same region range from -1% to 14%, with average monthly differences ranging from -\$6 per month to \$51 per month.

Small Group Market, Lowest Cost Gold Plan, 40 year old, Baltimore Metro Region

CARRIER	NETWORK TYPE	2022 MONTHLY APPROVED	% RATE CHANGE	2023 MONTHLY APPROVED	MONTHLY CHANGE
Aetna	HMO	\$337	12%	\$376	\$40
Aetna	PPO	\$452	0.4%	\$454	\$2
CareFirst BlueChoice	HMO	\$421	18%	\$496	\$75
CareFirst GHMSI/CFMI	PPO	\$569	-1%	\$563	(\$6)
Kaiser	HMO	\$331	12%	\$372	\$41
United Healthcare (MAMSI)	EPO	\$444	7%	\$473	\$29
United Healthcare (Optimum Choice)	HMO	\$374	14%	\$424	\$51
United Healthcare of the Mid-Atlantic	POS	\$358	14%	\$408	\$51
United Healthcare Insurance Co.	PPO	\$467	6%	\$494	\$28

For all of the ACA filings, COVID-19 was taken into account, with respect to both its impact on the historic claims data and on projected claims for the 2023 plan year. On average, approximately 4.5% of the 2021 experience period claims were directly related to COVID. Testing and hospitalizations were the two largest COVID costs, accounting for about 40% of total COVID spending each. The remaining 20% was spent on vaccinations and outpatient therapeutics. For 2023, it is expected the testing and hospitalization utilization will both be significantly lower in 2023 than in 2021, while it is expected that unit costs for vaccines and outpatient therapeutics will both be significantly higher as the federal government shifts costs to the commercial market.

It is important to note that more than 90% of Marylanders are covered by health insurance plans offered through large employers or employers who self-insure, or participate in “grandfathered” plans purchased before March 2010 or in federal plans (such as Medicare, Tricare, or federal employee plans). For these Marylanders, today’s announcement will not affect their rates.

The attached exhibits provide additional detail and context to the outcome of 2023 ACA premiums. As always, the approved rate increases vary by carrier and plan, with some carriers decreasing rates and other carriers increasing rates more than the average. A member’s annual premium rate will depend on the approved rate increase for their plan, the year-over-year increase in age factor, and, when applicable, the change in subsidy.

Summaries of each premium decision are available on the MIA's premium review website at HealthRates.mdinsurance.state.md.us. Sample approved 2023 premium for all companies by geographic region also are available online. The sample premiums do not reflect any employer contribution, any financial assistance a consumer may receive to reduce premiums or cost-sharing for plans purchased through the state's health insurance marketplace, MarylandHealthConnection.gov.